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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of

Reform of the Interstate  
Access Charge Rules

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)  
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RM 8356

STATEMENT IN SUPPORT OF THE USTA PETITION FOR RULEMAKING

U S WEST Communications, Inc. ("USWC"), through counsel, and pursuant to Public Notice,<sup>1</sup> hereby submits this Statement in Support of the USTA Petition for Rulemaking ("USTA Petition") filed by the United States Telephone Association ("USTA"). The USTA Petition asks the Federal Communications Commission ("Commission") to initiate a rulemaking proceeding to reform the existing rules governing the structure and pricing of interstate access services provided by local exchange carriers ("LEC").<sup>2</sup>

USWC urges the Commission to move forward with a notice of proposed rulemaking ("NPRM") based upon the excellent document submitted by USTA -- and to do so with expedition. USWC also asks the Commission to ensure that any access reform proceeding be coordinated with the expected 1994 price cap review.

<sup>1</sup>See Public Notice, Request Amendment of the Rules to Reform the Existing Interstate Access Charge, Report No. 1975, rel. Oct. 1, 1993.

<sup>2</sup>The USTA Petition not only discusses the need for a thorough-going access reform and the type of measures the Commission should institute to make meaningful reform a reality; it also attaches a detailed re-write of the Commission's Rules in Parts 43, 61, 64, 65 and 69 to show how such reform proposals could actually be implemented in the Rules.

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I. THE TIME FOR ACCESS REFORM IS NOW -- THERE IS NO NEED FOR DELAY

Technological change and competitive activity in the access marketplace are proceeding at a pace inconceivable ten years ago. Yet it was ten years ago that the current access charge rules were enacted -- and, other than the adoption of a price cap regime for large LECs,<sup>3</sup> those rules have gone virtually unchanged ever since.

The need to reform those access rules has been articulated and placed squarely before the Commission by three different groups representing three very different sets of interests. First, an Access Reform Task Force, peopled by members of the Commission's Common Carrier Bureau staff, released a thorough and thought-provoking analysis on access charge reform, noting that "significant regulatory, marketplace and technological changes" in the telephone industry "may have rendered many of the access charge rules obsolete."<sup>4</sup> Second, the National Association of Regulatory Utility Commissioners ("NARUC") has also asked the Commission to institute an inquiry into reforming access, stating that "the critical need for a comprehensive examination of these issues is long overdue."<sup>5</sup> The Commission has received extensive

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<sup>3</sup>See In the Matter of Policy and Rules Concerning Rates for Dominant Carriers, CC Docket No. 87-313.

<sup>4</sup>"Federal Perspectives on Access Charge Reform -- A Staff Analysis," rel. Apr. 30, 1993, at 2 ("FCC Working Paper").

<sup>5</sup>NARUC's Request for a Notice of Inquiry Concerning Access Issues, NARUC Petition for Notice of Inquiry Addressing Access

(continued...)

comments on both the FCC Working Paper and the NARUC Petition -- virtually all of which supported the need for some kind of comprehensive reform.<sup>6</sup> And finally, USTA now petitions for a full-blown rulemaking, asserting that:

There is broad recognition that sufficient reasons now exist to enact reform of the current access rules. Indeed, the reasons to initiate the proposed rulemaking are compelling.

Given the broad-based sentiment in favor of access reform and the already extensive record the Commission has compiled on the urgency of the need therefor, how best might the Commission

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<sup>5</sup>(...continued)

Issues, at 6, filed June 25, 1993, ("NARUC Petition"). The NARUC Petition was based upon a paper by the Access Issues Working Group ("AIWG"), and thus reflected, without reconciling, the differing views of many industry participants (purchasers and sellers of access alike), as well as state regulators.

<sup>6</sup>Eighteen parties filed comments on the NARUC Petition and/or the FCC Working Paper, and all but one, the National Telephone Cooperative Association ("NTCA"), supported moving forward with access reform. Comments were filed on September 2, 1993, by the following parties: Ad Hoc Telecommunications Users Committee; American Public Communications Council; Ameritech Operating Companies; Bell Atlantic Telephone Companies ("Bell Atlantic"); BellSouth Telecommunications, Inc. ("BellSouth"); GTE Service Corporation ("GTE"); MCI Telecommunications Corporation ("MCI"); MFS Communications Company, Inc.; National Exchange Carrier Association, Inc. ("NECA"); NTCA; NYNEX Telephone Companies ("NYNEX"); Organization for the Protection and Advancement of Small Telephone Companies; Pacific Bell and Nevada Bell ("Pacific"); Sprint Corporation ("Sprint"); Southwestern Bell Telephone Company ("SWB"); TDS Telecommunications Corporation; USTA; and WilTel, Inc. ("WilTel"). Nine reply comments and other comments were filed on September 23, 1993, by the following parties: American Telephone and Telegraph Company ("AT&T"); BellSouth; General Communications, Inc.; GTE; MCI; NARUC; PacTel; SWB; and Sprint.

<sup>7</sup>USTA Petition at 7.

proceed? There is no need to notice an "inquiry." The existing record, comprised of the FCC Working Paper, the NARUC Petition, the comments thereupon, and the USTA Petition, presents the Commission with the very information that a notice of inquiry would yield; yet another inquiry would be redundant at best. Rather, as numerous parties have suggested in response to the NARUC Petition and the FCC Working Paper,<sup>8</sup> the Commission should eschew mere inquiries and move directly to a rulemaking now. USWC submits that the Commission should release a NPRM on access reform, and that it should do so with all deliberate speed. The record is here, the time is now, and there is no reason for delay.

II. THE COMPREHENSIVE NATURE OF THE USTA PETITION MAKES IT AN IDEAL PLATFORM UPON WHICH TO BUILD A RULEMAKING PROCEEDING FOR ACCESS REFORM

Both the NARUC Petition and the FCC Working Paper stress the need for a comprehensive analysis of potential modifications to the access charge rules.<sup>9</sup> The commenters on those documents reiterated the same theme.<sup>10</sup> The desirability of taking an overarching approach stems in part from the sheer number of dockets pending before the Commission in which small slices of access rates and structure are being "reformed" in one way or

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<sup>8</sup>See, e.g., Bell Atlantic at 2-3; BellSouth at 6; NECA at 3; GTE at 5; NYNEX at 2-7; Pacific at 3; SWB at 1-4; USTA at 1-2; AT&T at 1.

<sup>9</sup>See NARUC Petition at 6; FCC Working Paper at 1.

<sup>10</sup>See BellSouth at 3; NECA at 3; NTCA at 2-6; WilTel at 2.

another to respond to technology shifts, competitive entry (actual or potential), and/or pro-competitive policies endorsed by the Commission itself. There are at least a dozen such proceedings pending.<sup>11</sup>

Reforming access in fits and starts will not result in productive reform. As stated in the USTA Petition:

A piece-meal approach is not only ineffective and inefficient, it does not result in a coordinated solution. Changes resulting from individual, isolated Commission proceedings are not likely to address the critical issues facing the telecommunications community. In fact, resolution of one issue, without a coordinated effort, may serve only to exacerbate another issue.<sup>12</sup>

The USTA Petition in fact provides a truly comprehensive, coordinated set of solutions to the access dilemma. The stated

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<sup>11</sup>In addition to the NARUC Petition, see, e.g., In the Matter of Transport Rate Structure and Pricing, CC Docket No. 91-213; In the Matter of Expanded Interconnection with Local Telephone Company Facilities, CC Docket No. 91-141; In the Matter of Intelligent Networks, CC Docket No. 91-346; In the Matter of Tariff Filing Requirements for Nondominant Common Carriers, CC Docket No. 93-36; In the Matter of Amendment of Part 36 of the Commission's Rules and Establishment of a Joint Board, CC Docket No. 80-286 (Universal Service Fund); In the Matter of Rochester Telephone Corporation, Petition for Waivers of Part 61 Tariff Rules and Part 69 Access Charge Rules to Implement Its Open Market Plan, Petition for Waiver, filed May 19, 1993; In the Matter of a Declaratory Ruling and Related Waivers to Establish a New Regulatory Model for the Ameritech Region, Petition for Declaratory Ruling and Related Waivers, filed Mar. 1, 1993; In the Matter of Petition for Rulemaking to Determine the Terms and Conditions Under Which Tier 1 LECs Should be Permitted to Provide InterLATA Telecommunications Services, Petition for Rulemaking, filed July 15, 1993; and In the Matter of Policy and Rules Concerning Rates for Dominant Carriers, CC Docket No. 87-313 (Price Cap Review).

<sup>12</sup>USTA Petition at 6.

objectives underlying and directing the USTA Petition are broad in scope:

[To] promote universal service, facilitate the introduction of new services and technologies, encourage efficient use of the network, support balanced competition in access markets, encourage development of the telecommunications infrastructure, prevent unreasonable discrimination and minimize regulatory burdens.<sup>13</sup>

These objectives address the key issues challenging telecommunications regulation today and into the future.

The USTA proposal also embraces most of the concrete regulatory issues affecting access structure and rates with which the Commission is being presented in myriad other dockets.<sup>14</sup> As the attached matrix (Appendix A hereto) shows, only the USTA Petition and the FCC Working Paper attempt to address the lion's share of access reform issues currently before the Commission; all other dockets or petitions are concerned with merely a narrow segment of the total access picture.

Because of the breadth and depth of scope of the USTA proposal -- and because the USTA Petition attaches a draft of the Commission's Rules, modified to reflect USTA's access reform proposal, from which the Commission and parties can easily work -- the USTA Petition provides an optimal foundation for a Commission NPRM. USWC submits that the Commission should incorporate the NARUC Petition and the FCC Working Paper, and the

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<sup>13</sup>USTA Petition at 4.

<sup>14</sup>See supra note 11.

comments thereon, into the record of its rulemaking, so as to create the fullest record possible -- but that it should use the USTA Petition as the basis for the NPRM itself.

### III. COORDINATION OF AND CONSISTENCY BETWEEN PRICE CAP REVIEW AND ACCESS REFORM IS ESSENTIAL

The USTA Petition deals in detail with a number of issues -- e.g., pricing flexibility, basket design and sharing -- that are part of price caps.<sup>15</sup> Indeed, any kind of access reform cannot help but affect the current price cap regime. That regime is scheduled for Commission review in the very near future. A notice initiating the review of LEC price caps is expected early in 1994.

Because the future of price caps and the future of access reform are so inextricably intertwined for the larger LECs, USWC strongly urges the Commission to coordinate these two proceedings once they are commenced to ensure that their outcomes are consistent and mutually reinforcing. It simply would make no sense to do otherwise.

### IV. CONCLUSION

For the reasons stated, USWC supports (a) the expeditious commencement of a rulemaking proceeding on access reform; (b) use of the USTA Petition as the foundation for that rulemaking; and

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<sup>15</sup>The FCC Working Paper addresses these price cap issues as well. See attached Appendix A.

(c) coordination of that rulemaking with the upcoming 1994 price cap review.

Respectfully submitted,

U S WEST COMMUNICATIONS, INC.

By:

A handwritten signature in cursive script, appearing to read "Laurie J. Bennett", is written over a horizontal line.

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November 1, 1993



**APPENDIX A**

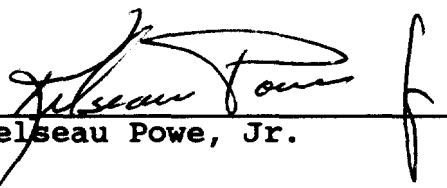
## Access Reform Issues

## Ongoing FCC Proceedings

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**CERTIFICATE OF SERVICE**

I, Kelseau Powe, Jr., do hereby certify that on this 1st day of November, 1993, I have caused a copy of the foregoing **STATEMENT IN SUPPORT OF THE USTA PETITION FOR RULEMAKING** to be served via first-class United States Mail, postage prepaid, upon the persons listed on the attached service list.

  
\_\_\_\_\_  
Kelseau Powe, Jr.

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